

# Exhibit 3



General Motors LLC  
Dealer Contractual Group  
Mail Code 482-A16-C66  
100 GM Renaissance Center  
Detroit, MI 48265-1000

**FEDERAL EXPRESS: 778931078659**

**PERSONAL & CONFIDENTIAL**

April 19, 2017

John W. Brooks  
Brooks Oldsmobile-Cadillac-GMC Truck, Inc.  
d/b/a Brooks Automotive Group, Inc.  
2401 Memorial Blvd.  
Connellsville, PA 15425-1414

Re: Your request for GM's approval of the transfer of dealership assets

Dear Mr. Brooks:

General Motors LLC ("GM") received an Asset Purchase Agreement dated November 17, 2016 (the "Purchase Agreement") and your proposal to sell certain assets of the Buick GMC sales and service operations of Brooks Oldsmobile-Cadillac-GMC Truck, Inc. d/b/a Brooks Automotive Group, Inc., ("Dealer Company") to Casey Harper and C Harper Holdings, Inc., d/b/a C Harper Autogroup (the "Original Buyers"). Based on the materials provided to us, we understand that the Original Buyers transferred their rights under the Purchase Agreement to C. Harper Chevrolet, Inc. d/b/a C. Harper Chevrolet, Buick, Cadillac (the "Proposed Dealer Company"). The Purchase Agreement makes it an express condition in Paragraph 3.2 that GM approve the Proposed Dealer Company conducting dealership operations from the Proposed Dealer Company's current location, which is 4435 State Route 51, Belle Vernon, PA (the "Proposed Location"). The Proposed Location is 14.4 miles from the Dealer Company's existing location at 2401 Memorial Blvd. in Connellsville, PA ("Current Location"). The request that GM approve the transfer of assets and the relocation of dealership operations to the Proposed Location are collectively called the "Proposal."

For the reasons set forth below, GM is declining your Proposal at this time.

GM is responsible for its dealer network planning, including the attempt to place the right number of dealers in the right locations to maximize the effectiveness of its sales and service representation. Articles 4.1 and 4.4.2 of your Dealer Sales and Service Agreement ("Dealer Agreement") address Dealer Network Planning and Change in Location or Use of Premises, respectively. These two provisions state, in relevant part, as follows:

***Article 4.1 – Dealer Network Planning***

*Because General Motors distributes its Products through a network of authorized dealers operating from approved locations, those dealers must be appropriate in number, located properly, and have proper facilities to represent and service General Motors Products competitively and to permit each dealer the opportunity to achieve a reasonable return on investment if it fulfills its*

*obligations under its Dealer Agreement. Through such a dealer network, General Motors can maximize the convenience of customers in purchasing Products and having them serviced. As a result, customers, dealers, and General Motors all benefit.*

*To maximize the effectiveness of its dealer network, General Motors agrees to monitor marketing conditions and strive, to the extent practicable, to have dealers appropriate in number, size and location to achieve the objectives stated above. Such marketing conditions include General Motors sales and registration performance, present and future demographic and economic considerations, competitive dealer networks, the ability of General Motors existing dealers to achieve the objectives stated above, the opportunities available to existing dealers, the alignment of Line-Makes, General Motors dealer network plan, and other appropriate circumstances.*

#### **Article 4.4.2 – Change in Location or Use of Premises**

*If Dealer wants to make any change in location(s) or Premises, or in the uses previously approved for those Premises, Dealer will give General Motors written notice of the proposed change, together with the reasons for the proposal, for General Motors evaluation and final decision in light of dealer network planning considerations. No change in location or in the use of Premises, including addition of any other vehicle lines, will be made without General Motors prior written authorization pursuant to its business judgment. . . .*

GM has analyzed the relocation aspect of your Proposal and its impact on our dealer network. In our business judgment, the relocation of GMC sales and service operations to the Proposed Location is not acceptable to GM. Among other things, the permanency of the investments by the six GMC dealers currently serving the Pittsburgh market, the declining population in and around Pittsburgh, which is and has been adequately represented by the existing GMC dealers, as well as the impact that your Proposal, if approved, would have on the GM network, provide GM with a reasonable basis to decline your Proposal. We also considered the relative locations of other GMC dealers in our network as well as your proposed business case. Based upon our analysis, we have concluded that your Proposal is not in the best interests of GM's customers, the GMC brand, or the GMC dealer network. These factors guided our decision:

- The permanency of the investment of the five existing Buick GMC dealers in Pittsburgh. The impacted Pittsburgh GMC dealers have expended a significant amount of money on facility upgrades, including the Buick GMC Image Programs. Given that investment, and given the impact the relocation would have on those dealers, GM is concerned that the relocation may negatively impact the Pittsburgh dealers' ability to achieve a reasonable rate of return on their investments.
- The declining population in and around Pittsburgh. Our analysis indicates that the number of households and the total population have declined from 2000 to 2015. During that timeframe, the Pittsburgh area population declined 4.98% vs. growth in Pennsylvania of 4.28% and in the United States of 14.57%. The Pittsburgh area

numbers are expected to continue to decline over the next 5 years despite expectations of population growth across the state as a whole and in the rest of the United States.

- Existing GMC dealerships are providing adequate competition. The GMC Retail Registration Index ("RRI") for the Pittsburgh market is performing at 100.8%. The GMC RRI is 92.9% in the proposed Belle Vernon AGSSA, which is only 16 units short of expected. This performance is a key indicator that a GMC network structure change is not necessary. The nominal registration loss can be eliminated with improvements by the existing GMC dealer network.
- Negative Impact on Existing GMC Dealer Network
  - GM Brand Alignment. Notwithstanding GM's legacy brand alignment in Belle Vernon (Chevrolet Buick Cadillac) and elsewhere, GM's preferred alignment in metro areas such as Pittsburgh is to have exclusive representation for each of its channels: Chevrolet, Buick GMC and Cadillac. An establishment of a Chevrolet Buick GMC Cadillac dealership in the Pittsburgh metro area is contrary to this preferred alignment and may be challenging for the properly aligned dealerships to compete and may diminish the channel/brand focus GM needs for each channel/brand to be successful.
  - Multiple Dealer Area (MDA) Add Point. The Proposal essentially results in a GMC add point into the Pittsburgh MDA. GMC dealer count in the MDA would increase from 6 to 7. For all of the reasons outlined herein, a GMC add point is not planned nor necessary for the Pittsburgh MDA in GM's business judgment.
  - The likelihood of injury to our existing network outweighs any perceived benefit from increased competition. A 14.4 mile relocation of GMC from Connellsville to Belle Vernon would unnecessarily increase the distance that our rural customers must drive for vehicle sales and service while dramatically reducing the distances between and among multiple GMC dealers in the market have the practical effect that Buick GMC would abandon the Connellsville market. There is no doubt that would severely and negatively impact our existing network. We would likely lose many of the sales in the Connellsville market that we otherwise would have had. These negative effects outweigh any possible benefit of increased competition.

Existing GMC Points	Distance from Connellsville (in miles)	Distance from Proposed Location in Belle Vernon (in miles)	Change in Mileage Between GMC Dealer Points (in miles)
Connellsville, PA	N/A	14.4	14.4 farther
Pleasant Hills, PA	27.3	13.13	14.0 closer
Washington, PA	36.8	13.0	18.7 closer
Irwin, PA	21.2	11.5	9.7 closer
Masontown, PA	21.2	21.1	.1 closer
Greensburg, PA	17.7	18.0	.3 farther
Somerset, PA	25.6	38.1	12.5 farther

- The Proposed Dealer Company's GMC Sales Forecast. According to the Proposal, the Proposed Dealer Company forecasts that it will sell 360 new GMC units. Comparing this forecast with an expected sales volume for Belle Vernon of 225 and an existing registration loss of just 16 units, it is unclear where the additional GMC sales will come from except from taking away from the existing GMC dealer network. This level of intra-brand competition is not healthy for the GMC dealer network.

For all these reasons, GM has decided to turn down your Proposal as submitted. If you have any questions concerning our position in this matter, please feel free to contact me.

Very truly yours,



Regis Buckley  
Director, Buick GMC Sales and Service – Northeast  
Region

cc: C. Harper Chevrolet, Inc. d/b/a C. Harper Chevrolet, Buick, Cadillac (via Hand Delivery)  
Steven Burns, Zone Manager  
Dealer Contractual Group